

# **EXHIBIT 1**

# **EXHIBIT 1**

DOUGLAS E. MILES  
Also Admitted in California &  
Illinois  
JEREMY T. BERGSTROM  
Also Admitted in Arizona  
GINA M. CORENA  
ROCK K. JUNG  
KRISTA J. NIELSON  
JORY C. GARABEDIAN  
THOMAS M. MORLAN  
Admitted in California  
STEVEN E. STERN  
Admitted in Arizona & Illinois  
ANDREW H. PASTWICK  
Also Admitted in Arizona &  
California  
PATERNO C. JURANI



**MILES, BAUER, BERGSTROM & WINTERS, LLP**  
ATTORNEYS AT LAW SINCE 1985

2200 Paseo Verde Pkwy., Suite 250  
Henderson, NV 89052  
Phone: (702) 369-5960  
Fax: (702) 369-4955

**CALIFORNIA OFFICE**  
1231 E. Dyer Road, Suite 100  
Santa Ana, CA 92705  
Phone: (714) 481-9100  
Fax: (714) 481-9141

RICHARD J. BAUER, JR.  
FRED TIMOTHY WINTERS  
KEENAN E. McCLENAHAN  
MARK T. DOMEYER  
Also Admitted in the District of  
Columbia & Virginia  
TAMI S. CROSBY  
L. BRYANT JAQUEZ  
WAYNE A. RASH  
VY T. PHAM  
HADI R. SEYED-ALI  
BRIAN H. TRAN  
CORI B. JONES  
CATHERINE K. MASON  
CHRISTINE A. CHUNG  
HANH T. NGUYEN  
S. SHELLY RAISZADEH  
SHANNON C. WILLIAMS  
LAWRENCE R. BOIVIN  
RICK J. NEHORAOFF  
BRIAN M. LUNA  
ELIZABETH D. SCOTT

July 16, 2012

Hollow De Oro HOA  
Absolute Collections Services, LLC  
6440 Sky Pointe Drive, Ste. 140-154  
Las Vegas, NV 89131

*SENT VIA FIRST CLASS MAIL*

Re: *Property Address: 2117 Summer Lily Avenue, North Las Vegas, NV 89081*  
*MBBW File No. 12-H1420*

Dear Sirs:

This letter is in response to your Notice of Default with regard to the HOA assessments purportedly owed on the above described real property. This firm represents the interests of MERS as nominee for Bank of America, N.A., as successor by merger to BAC Home Loans Servicing, LP (hereinafter "BANA") with regard to these issues. BANA is the beneficiary/servicer of the first deed of trust loan secured by the property.

As you know, NRS 116.3116 governs liens against units for assessments. Pursuant to NRS 116.3116:

The association has a lien on a unit for:

*...any penalties, fees, charges, late charges, fines and interest charged pursuant to paragraphs (j) to (n), inclusive, of subsection 1 of NRS 116.3102 are enforceable as assessments under this section*

While the HOA may claim a lien under NRS 116.3102 Subsection (1), Paragraphs (j) through (n) of this Statute clearly provide that such a lien is JUNIOR to first deeds of trust to the extent the lien is for fees and charges imposed for collection and/or attorney fees, collection costs, late fees, service charges and interest. See Subsection 2(b) of NRS 116.3116, which states in pertinent part:

2. A lien under this section is prior to all other liens and encumbrances on a unit except:

2117 Summer Lily Avenue, North Las Vegas, NV 89081

Page two of two

(b) A first security interest on the unit recorded before the date on which the assessment sought to be enforced became delinquent...

The lien is also prior to all security interests described in paragraph (b) to the extent of the assessments for common expenses...which would have become due in the absence of acceleration during the 9 months immediately preceding institution of an action to enforce the lien.

Subsection 2b of NRS 116.3116 clearly provides that an HOA lien "is prior to all other liens and encumbrances on a unit except: a first security interest on the unit..." But such a lien is prior to a first security interest to the extent of the assessments for common expenses which would have become due during the 9 months before institution of an action to enforce the lien.

Based on Section 2(b), a portion of your HOA lien is arguably senior to BANA's first deed of trust, specifically the nine months of assessments for common expenses incurred before the date of your notice of delinquent assessment dated June 18, 2012. For purposes of calculating the nine-month period, the trigger date is the date the HOA sought to enforce its lien. It is unclear, based upon the information known to date, what amount the nine months' of common assessments pre-dating the NOD actually are. That amount, whatever it is, is the amount BANA should be required to rightfully pay to fully discharge its obligations to the HOA per NRS 116.3102 and my client hereby offers to pay that sum upon presentation of adequate proof of the same by the HOA.

Please let me know what the status of any HOA lien foreclosure sale is, if any. My client does not want these issues to become further exacerbated by a wrongful HOA sale and it is my client's goal and intent to have these issues resolved as soon as possible. Please refrain from taking further action to enforce this HOA lien until my client and the HOA have had an opportunity to speak to attempt to fully resolve all issues.

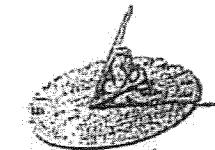
Thank you for your time and assistance with this matter. I may be reached by phone directly at (702) 942-0413. Please fax the breakdown of the HOA arrears to my attention at (702) 942-0411. I will be in touch as soon as I've reviewed the same with BANA.

Sincerely,

MILES, BAUER, BERGSTROM & WINTERS, LLP



Paterno C. Jurani, Esq.



## Absolute Collection Services, LLC

Mailing address:  
6440 Sky Pointe Drive Ste. 140-154  
Las Vegas, NV 89131

Phone 702.531.3394  
Fax 702.531.3396  
[www.absolute-collection.com](http://www.absolute-collection.com)

### CORRESPONDENCE RECEIPT

July 26, 2012

Rock Jung  
Miles, Bauer, Bergstrom & Winters LLP  
2200 Paseo Verde Pkwy, Ste 250  
Henderson NV 89052  
**VIA FAX 702-369-4955**

RE: Hollow De Oro OA: 2117 Summer Lily Avenue; MBBW File No. 12-H1420; Our File: 3569

Dear Mr. Jung:

I am in receipt of your most recent correspondence regarding a Statement of Account for the above-mentioned property. Please note that in conversations past, you had stated your clients position of paying for 9 months of assessments and no late fees, collection costs, etc., all occurring before foreclosure by your client.

I am making you aware that it is our view that without the action of foreclosure, a 9 month Statement of Account is not valid. At this time, I respectfully request that you submit the Trustees Deed Upon Sale showing your client's possession of the property and the date that it occurred. At that time, we will provide a 9 month super priority lien Statement of Account.

As discussed, any Statement of Account from us will show the entire amount owed. We intend to proceed on the above-mentioned account up to and including foreclosure. All such notifications have been and will be sent to all interested parties. We recognize your client's position as the first mortgage company as the senior lien holder. Should you provide us with a recorded Notice of Default or Notice of Sale, we will hold our action so your client may proceed.

Per our previous conversation, a Statement of Account costs \$50 and is not good for a sale/transfer of the property. If, after reviewing the information above, you would still like a Statement of Account, please email me at [customerservice@absolute-collection.com](mailto:customerservice@absolute-collection.com) or fax the above number. If you would like an actual payoff demand that is good for the sale/transfer of a property, please visit our website at [www.absolute-collection.com](http://www.absolute-collection.com) and go to Order Documents. The upfront fee for the demand is \$150 and we take all major credit cards or you may send the funds to the above address and provide an email/fax so we may get the demand to you. If you have further questions, please feel free to contact us.

Sincerely,

Kelly Mitchell, Collection Manager  
Absolute Collection Services, LLC

**PLEASE NOTE WE ARE A DEBT COLLECTOR**